

April 21, 2025

The Honorable Judge John G. Koeltl
United States Courthouse
500 Pearl St.
New York, NY 10007-1312

USA v. Mashinsky et al. - Victim Impact Statement

Dear Judge Koeltl,

My name is Cameron Crews, a creditor of Celsius Network and victim of Alex Mashinsky. I serve as a Litigation Oversight Committee member within the Litigation Trust tasked with recovering value for creditors. I write this letter in my individual capacity, seeking justice for the suffering borne by victims of Mashinsky's illegal acts and willful misconduct. The Sentencing Memorandum submitted in his defense has poured salt into our wounds.

Even as he pleads guilty, Mashinsky refuses to come clean. His Celsius fraud was not an unforeseeable accident caused by volatile markets that overwhelmed an honorable man and his good intentions, as he now represents. Rather, Mashinsky orchestrated systemic misrepresentations over the course of five years that swindled his customers out of over \$3B¹ while lining his own pockets with at least \$68.7M.² His brazen fraud places the Mashinsky name alongside that of Ponzi and Madoff.

Far from "two misstatements" that Mashinsky acknowledges he is guilty of, his cascading lies are indisputable. At any point over the five years of his fraud, Mashinsky could have thrown in the towel and admitted to the losses that would have to eventually be borne by stakeholders. Instead, Mashinsky plunged his company ever deeper into insolvency and sought new capital as he assured stakeholders our funds were safe. And he continued his lies even through the market turmoil he now blames for his downfall.³



¹ <https://x.com/camcrews/status/1915044428705562691> summary of the \$3B fraud calculation

² Examiner Report p 321 Mr. Mashinsky sold or swapped at least 25.1 million CEL for at least \$68.7 million.

³ <https://twitter.com/Mashinsky/status/1524404643530477568> 5/11/22 "All funds are safe"

Despite Mashinsky's claims of Celsius being profitable,⁴ the company secretly lost money in every line of business they tried.⁵ The demise of Celsius was primarily a consequence of Mashinsky's treachery after his lies caught up with him.

When Celsius's 2018 Initial Coin Offering (ICO) fell far short of its \$50M goal,⁶ Mashinsky lied and falsely claimed it was fully subscribed.⁷

When the KeyFi deal Mashinsky had pushed through over his CFO's objection⁸ went bad within months, rather than inform his customers, he boasted of "phenomenal numbers" and "[thanked] the community for being so trusting and loyal with us" because it enabled Celsius to "earn the most yield."⁹ But far from earning the most yield, Celsius had lost customer deposits¹⁰ while soliciting new money¹¹ from customers such as myself.

And in 2021 when Mashinsky discovered Equities First Holdings was unable to return over half a billion dollars of collateral,¹² he lied again. Mashinsky claimed, "in four years we have not had a single institution default, either not pay the interest or not return the collateral or the coins that we lend to them."¹³

Considering that internal records reflected Celsius could only expect a recovery of 10-15% from EFH,¹⁴ characterizing these as healthy loans was another malicious Mashinsky lie.

Similarly, when Celsius lost access to 35,000 ETH after a Fireblocks employee deleted the staking keys, Mashinsky yet again declined to disclose the loss.¹⁵

I was referred to Celsius in August of 2021. Induced by promotion codes and their weekly reports of purported "earnings,"¹⁶ I deposited \$118k onto the platform over the following months¹⁷. My funds were obliterated by the massive losses that had occurred prior to my arrival and been hidden from me. Had Mashinsky disclosed the truth about Celsius's performance, I would either never have made a deposit or fled for the hills.

⁴ Celsius AMA 11/5/21 <http://youtu.be/t-4Dzujwrul&t=90m> "Celsius has never been more profitable"

⁵ Examiner Report p 297 "no business unit or coin was profitable." CEL-UCC-00192447

⁶ To give credence to his ICO lie, Mashinsky had pledged \$18M through his AM Venture entity to fill the 117M shortfall. He attempted to improperly pay the \$18M owed to Celsius by borrowing from Celsius.

⁷ Celsius AMA 3/8/18 <http://youtu.be/YQNdQXxPNQE&t=1414s> "when you show a bank that you have raised \$50 million and you have billions of dollars on deposit, they don't see that as a very risky proposition."

⁸ Examiner Report p157 <http://youtu.be/73MK1-CaWz0&t=11829s>

⁹ Celsius AMA 5/21/21 <http://youtu.be/L-0WjEuJT7w&t=3153s>

¹⁰ <https://info.arkm.com/research/reports/celsius-report> Arkham estimates KeyFi losses at \$350M

¹¹ Celsius AMA 5/21/21 <http://youtu.be/L-0WjEuJT7w&t=3130s> Mashinsky boasts "deposits are going crazy"

¹² Examiner Report p145, *Disclosure Letter (December 3, 2021)*, CEL-UCC-00025824, at 13

¹³ Celsius AMA 11/12/21 <http://youtu.be/bTrByn1DAFo&t=2396s>

¹⁴ Examiner Report p151; CEL-UCC-00042875. <http://youtu.be/73MK1-CaWz0&t=11403s>

¹⁵ Examiner Report p 310 <http://youtu.be/73MK1-CaWz0&t=23295s>

¹⁶ Exhibit D, Screenshot of a Celsius Network email notification of purported earnings

¹⁷ Assets were valued at \$118k at the time of transfer; transfers were made between Aug 2021 and Apr 2022.

Not only did Mashinsky decline to disclose material information about losses, such as his company losing \$811M during the bull market of 2021,¹⁸ he also actively sought to censor bad news, suppress criticism, and attack critics. In particular, Mashinsky targeted Dirty Bubble Media after their original reporting on the ETH staking key loss,¹⁹ losses in the BadgerDAO hack,²⁰ and Mashinsky's selling of CEL.²¹

Dirty Bubble Media had attracted Mashinsky's wrath after asking him to disclose his CEL trades during a January 2022 Twitter AMA call, to which Mashinsky responded, "We are not a public company, so what the f*ck are you talking about?"²²

At Mashinsky's direction, Celsius subsequently worked to censor and discredit Dirty Bubble Media. In a May 26, 2022 message to his cofounder Daniel Leon, Mashinsky wrote, "We need to expose [Dirty Bubble Media] as a liar so ask Shiran to find stuff on him and others."²³ But the stories were generally true, as affirmed internally²⁴ by other employees²⁵.

Mashinsky instructed his CEL Team 6²⁶ employees on May 17, 2022, "For all serious FUD use ['my Media PI'] to kill or debunk the story."²⁷ In a June 6, 2022 conversation with CRO Roni Cohen-Pavon, Mashinsky wrote, "I asked for [Dirty Bubble Media] to remove all articles and agree to 5 years not to talk about Mashinsky and Celsius... As long as we block and keep all these guys away from our community they will just talk to themselves."²⁸

On June 7, 2022, a Celsius community manager made clear the company policy towards Dirty Bubble Media: "Anything related to dirty bubble delete instantly."²⁹

These Dirty Bubble Media articles that Mashinsky worked so hard to suppress would have spared me from the Celsius fraud had I discovered them in time. The willful suppression of vital news about Celsius prevented customers such as me from making informed decisions about our investments. Mashinsky did not behave as a fiduciary but rather as a devious

¹⁸ Examiner Report p 279 <http://youtu.be/73MK1-CaWz0&t=20945s>

¹⁹ <https://www.dirtybubblemedia.com/p/celsius-network-lost-at-least-35000>

²⁰ <https://www.dirtybubblemedia.com/p/an-inexplicable-error-cost-celsius>

²¹ <https://www.dirtybubblemedia.com/p/are-the-mashinskys-coming-out>

²² <https://x.com/MikeBurgersburg/status/1481278176332558339> 1/12/22 Tweet from Dirty Bubble Media

²³ F09687-1-JN3-E002-00014503 5/26/22 Whatsapp message between Daniel Leon and Alex Mashinsky
אני בטוח שאין מצב שאתה מוכר בימים אלו. אז בוא ניכנס בו על זה שהוא משקר. אסור לתת לאיש הזה להפיץ שקרים. בוא
נפעיל את הבוטים - זה מאד יעזור. וזה בלי כס

²⁴ F096871EM3E010-967-00036242 1/12/22 Peter Graham "This data appears to be more or less in line with the back office data that I asked Gabe to pull last week on Mashinsky CEL activity."

²⁵ F096871EM3E010-694-00001357 5/23/22 Slack message from Jason Perman "It's all true though man"

²⁶ CEL Team 6 was a group of Celsius employees responsible for focusing upon the CEL token

²⁷ F09687-1-JN3-E002-00013064 5/17/22 Whatsapp Conversation with CEL Team 6 members

²⁸ CTRL-M0000019273 6/6/22 Whatsapp Conversation between Alex Mashinsky and Roni Cohen-Pavon

²⁹ F096871EM3E010-633-00000345 6/7/22 Community Manager Slack, message by Aaron Patchen

confidence man. His bluffs and lies bought him time but worsened the rot, leading to more victims with deeper wounds.

I needed access to my funds on Celsius in August of 2022 after experiencing a job loss. Instead, I was forced to trim expenses and sell off other investments. After nearly a two year wait, I recovered only about 40% of the value of my in-kind holdings. Of the \$118k I had deposited, I got back slightly over \$40k plus undesirable shares of dubious value in a Bitcoin mining company – supposedly worth an additional \$10k but not yet tradable.

My losses represent two years of savings. As I discovered the extent of the fraud and how much worse others were suffering, I was both horrified and outraged. I met creditors such as Rebecca,³⁰ who lost the proceeds of her house to Celsius after Mashinsky personally assured her that her funds were safe. And Justin who relocated to South America and resorted to living out of his car to reduce his living expenses after savings he was counting on were caught up in the Celsius fraud.³¹ These stories of suffering are not uncommon.

Not only have we suffered financially, but we have endured emotional abuse spurred on by Mashinsky. As Celsius careened towards the Pause, Mashinsky advanced conspiracy theories that created civil unrest amongst the Celsius community.

Mashinsky promoted the idea that short sellers were attacking Celsius through its CEL token and that this short selling was the extent of Celsius's problems. In the CEL Team 6 Whatsapp chat on Thursday June 8, 2022, three days before the Pause, Zach Wildes shared that, "About 1.4M CEL short [on FTX] if I'm reading it correctly" to which Mashinsky replied, "Yes. Let's hope they will be squeezed out on Friday."³² He did more than just hope.

That Saturday, Mashinsky instructed one of his Ambassadors to "get every Celsiusian to remove their coins from centralized exchanges and the shorts will have to cover..."³³ The same day Mashinsky separately messaged prominent blockchain figures such as Justin Sun³⁴ and Sandeep Nailwal³⁵ over Whatsapp, "you can just buy CEL and wipe out the short sellers. I can not do it because of legal reasons."

Despite the irony that Mashinsky himself had been the largest individual seller of CEL,³⁶ a short squeeze movement soon took hold. This consumed the attention of the Celsius

³⁰ <http://www.youtu.be/pT6zEREkYbg> Interview with Rebecca Gallagher

³¹ http://youtu.be/wsDR_Yp9q6M Interview with Justin

³² F09687-1-JN3-E002-00013085 6/9/22 Whatsapp Conversation with CEL Team 6 members

³³ Exhibit B; 6/11/22 Twitter DMs between Alex Mashinsky and Celsius Ambassador Santos Caceras

³⁴ F09687-1-JN3-E002-00009062 6/11/22 Whatsapp Conversation between Alex Mashinsky and Justin Sun, founder of TRON

³⁵ F09687-1-JN3-E002-00012485 6/11/22 Whatsapp message from Alex Mashinsky to Sandeep Nailwal, co-founder and COO of Polygon

³⁶ Examiner Report p 321 "Mr. Mashinsky either directly sold or swapped at least 25.1 million CEL for at least \$68.7 million"

community, thereby shifting attention away from Mashinsky's misdeeds. Prominent participants in this CEL short squeeze movement have written letters pleading for leniency, including Jason Amerson, Otis Davis, and Zach Wildes.

These individuals have persistently minimized the harm Mashinsky has caused and have regularly insulted the victims who know otherwise. Indeed, not only have Celsius victims been defrauded out of billions, but we also have endured years of abuse from Mashinsky loyalists on social media.

One need look no further than the defense's first submission Exhibit A-1 as an example. The letter's author, Jason Amerson, is a creditor who has claimed on social media that after Mashinsky is "exonerated" he will use the favorable legal outcome as a platform to persecute his victims further and destroy yet more of our wealth:

*"After @Mashinsky is exonerated, his high powered attorneys will turn their sights on all your asses for defamation and damages. Get ready to face consequences, it's coming."*³⁷

Amerson has called the case against Mashinsky a "witch hunt"³⁸ and characterized the guilty plea as the Department of Justice "dropping 5 of the 7 harshest charges."³⁹ He has spuriously claimed victims are somehow deserving of the harm visited upon us by saying, "you're probably felons yourselves."⁴⁰

Such reprehensible viewpoints do not represent depositors at large. Based on information and belief, Mashinsky solicited letters pleading for leniency from the tiny fraction of customers who remain loyal to him, some of whom were enriched by the fraud.

Mashinsky needs to be held accountable for his brazen crimes with a lengthy prison term. When determining his sentence, I ask the Court to consider:

- If Mashinsky were to offer a 10 minute apology to each of his 600,000 customers, it would take him **48 years** if he apologized 40-hours-per week.
- Given an average salary of \$64,000 in the United States, the \$3B in losses means Mashinsky has effectively destroyed **46,875 years'** worth of wages of his customers.
- Fraudster Sam Bankman-Fried received **25 years** for crimes defrauding his customers, notwithstanding having extolled similar purported virtues that are now claimed by Mashinsky.

³⁷ Exhibit A; Tweet from Jason Amerson @jamers2012 on 9/19/24 that has since been deleted

³⁸ <https://x.com/jamers2012/status/1909763087810408813> 4/8/25 @jamers2012 Tweet

³⁹ <https://x.com/jamers2012/status/1905302191176364127> 3/27/25 @jamers2012 Tweet

⁴⁰ <https://x.com/jamers2012/status/1905506490615824851> 3/28/25 @jamers2012 Tweet

Mashinsky's contention that he has a "spotless track record" is dishonest, if not delusional. He was a college dropout who previously reflected upon his youth, "I'm shocked I'm not in jail because, you know, as a teenager I was out of control."⁴¹

Mashinsky was sued by his previous company Arbinet for "unlawful misappropriation and misuse of Arbinet's confidential strategic planning information."⁴²

Mashinsky sued his friend Reid Drescher in 2018 over a \$50,000 loan that he believed entitled him to \$500,000.⁴³ He filed this lawsuit despite the Dreschers being close friends who had first introduced Alex to his wife Krissy Mashinsky and their families regularly spending time together.⁴⁴ The lawsuit torpedoed that friendship.⁴⁵

And far from doing their best to help victims, Mashinsky and his wife Krissy have behaved callously towards us. Krissy taunted victims with "Unbankrupt Yourself," t-shirts⁴⁶ in 2022 after Celsius had filed for bankruptcy. When later attempting to offer a conciliatory message in December of that year, Krissy couldn't even remember the day of the Pause that had sealed the fate of her husband's victims.⁴⁷ The date of June 12, 2022 is seared into our memory with clarity surpassed only by September 11, 2001 and personal tragedies. Krissy didn't remember because our pain was not important to her.

Just as Charles Ponzi would have preferred to realize the returns he promised from International Reply Coupon arbitrage, or Bernard Madoff would have preferred to run a profitable options trading strategy, Alex Mashinsky would have preferred to run a profitable crypto lending business. But like his fraudster predecessors, Mashinsky kept his customers on the hook with fictitious returns despite failure to realize the profits he purported to be earning. Rather than unwind his business honorably after realizing he was unable to execute upon his business model, he soldiered on deeper into his deception until he had scaled his failures into a \$3B disaster.

Alex Mashinsky has caused far more damage than he can ever repair. Justice demands a sentence of no less than 20 years.

Respectfully submitted,

Cameron Crews
Creditor

⁴¹ Celsius AMA 2/26/20 <http://youtu.be/KUZIER4nss&t=1666s>

⁴² <https://www.courtlistener.com/docket/5720231/1/arbinet-thexchange-inc-v-mashinsky/>

⁴³ https://www.nycourts.gov/Reporter/3dseries/2020/2020_06397.htm

⁴⁴ <https://x.com/AvivaDrescher/status/406845689319399425>

⁴⁵ Exhibit C; Mashinsky v. Drescher, New York County Clerk index 650781/2017 NYSCEF DOC. NO. 43, Messages from Aviva Drescher confirming the Mashinsky lawsuit terminated their friendship

⁴⁶ https://x.com/coffeebreak_yt/status/1570789730677305344

⁴⁷ <https://x.com/camcrews/status/1601448341891862528>

Exhibit A



CryptoCexual ✓
@jamers2012

Listen up @HellsiusNetwork, @SimonDixonTwitt, @0x_b1, @elveton101, @DanielFCelsius, @TiffanyFong_, @TheRealPlanC, @ChazzonKe, @preseL_ and all the rest of you brain-dead 🇺🇸 #Simontologists. Ain't no fucking way @Mashinsky is getting convicted when he's in possession of verifiable smoking gun exculpatory evidence showing his Corporate Legal Counsel and Co-Founder actively colluding to frame him. In case you didn't know, those *italicized* words represent actual captured evidence collected during the discovery phase. And @Mashinsky's A-Team got it all fellas.

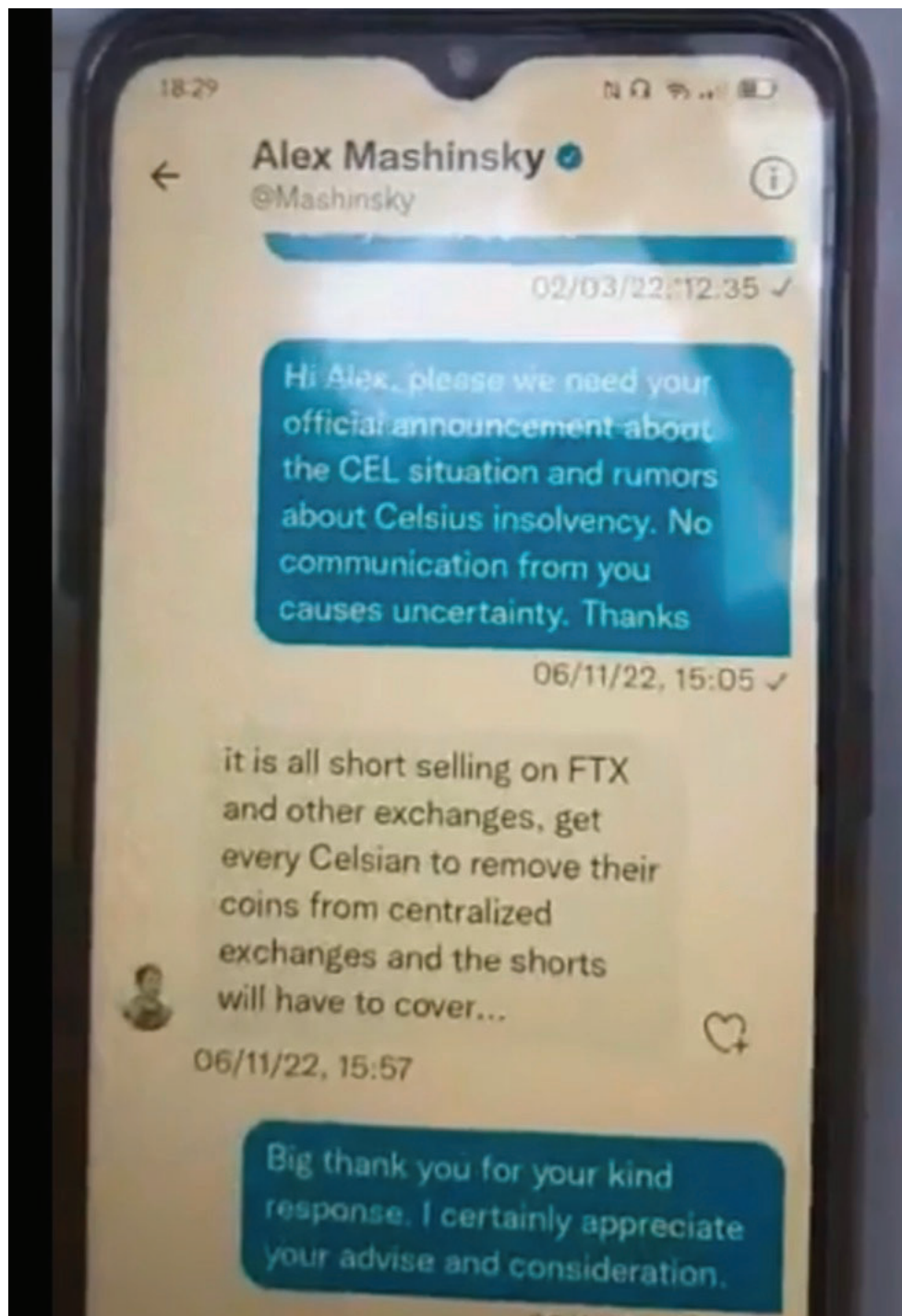
After @Mashinsky is exonerated, his high powered attorneys will turn their sights on all your asses for defamation and damages. Get ready to face consequences, it's coming. Stone will be 1st and Dixon 2nd, then the rest will be lined up longer than a 1929 soup kitchen. Think I'm bluffing? Keep running your mouths. I've captured every defamatory Tweet, Video, and Space you've made since 2022. Don't mind adding more to the evidence file.

10:00 PM · 9/19/24 · 785 Views



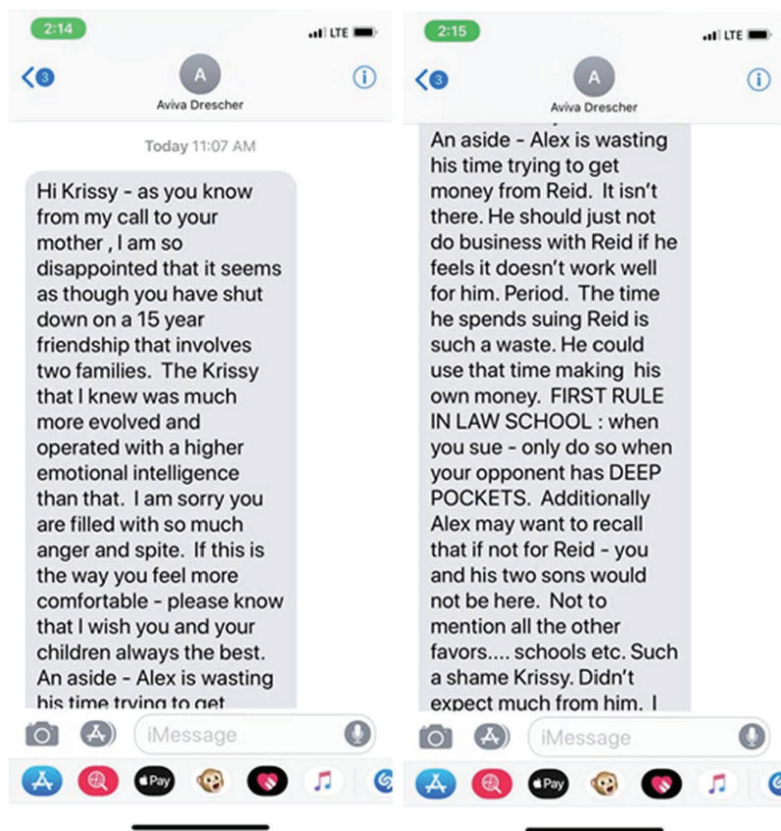
The above Twitter reply dated 9/19/24 from Jason Amerson has since been deleted. Amerson has written a letter for the defense asking for leniency.

Exhibit B



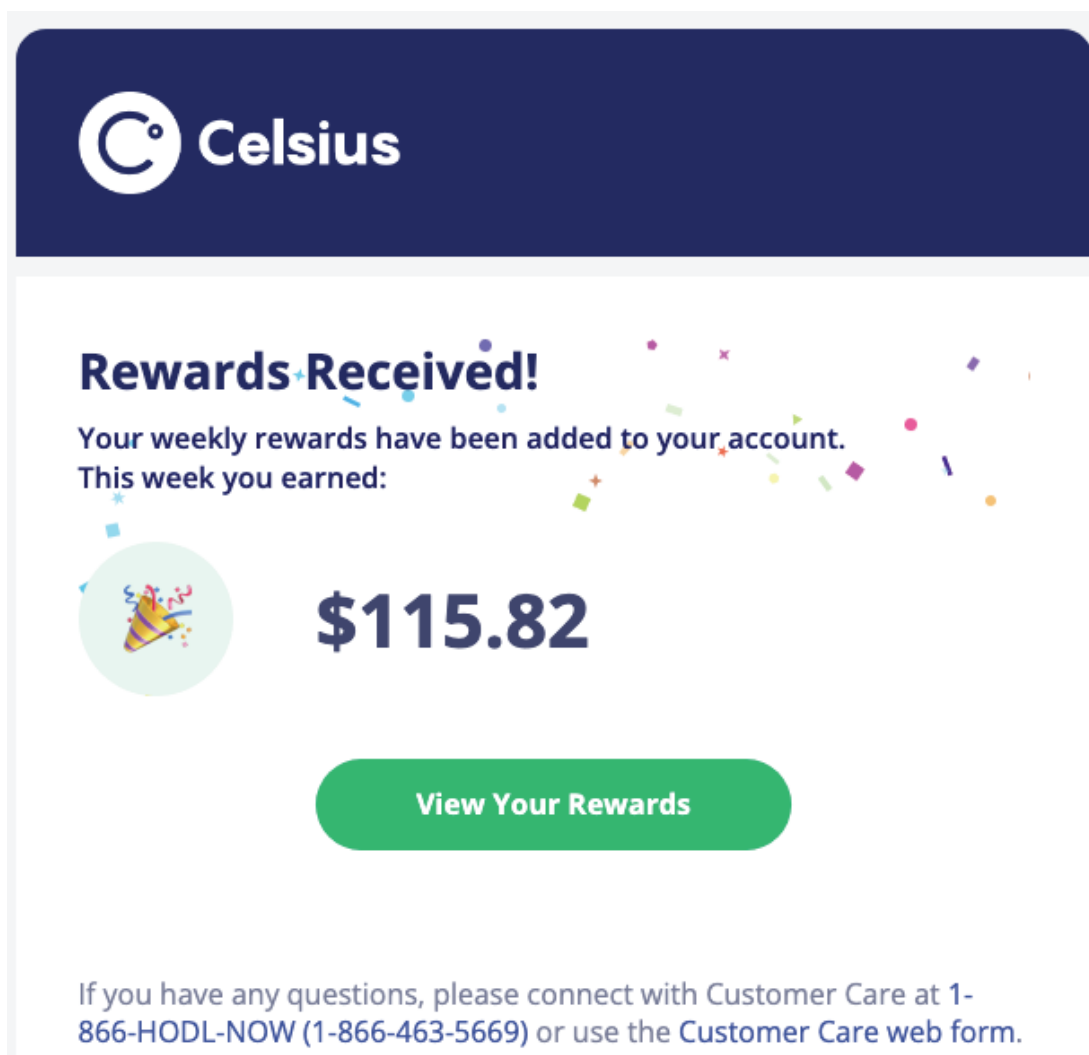
This photo of Twitter DMs purported to be between Alex Mashinsky and Celsius Ambassador Santos Caceras was circulated within the community in 2022. Caceras has written a letter for the defense asking for leniency.

Exhibit C



The above message from Aviva Drescher to Krissy Mashinsky is a consolidated representation of Exhibit A from docket No 43 of case 650781/2017 Mashinsky v. Drescher.

Exhibit D



Screenshot of a Celsius Network email notification of purported earnings. Customers were told we were earning money despite the fact Celsius was secretly losing money.